



## EXECUTIVE COMPUTING

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# 'Blue' books list market values for computers

**E**nd-of-year financial statements often require you to know how much your computers are worth. Obviously, the depreciated or book value of equipment can be very different from the real market value.

Until recently, it was very difficult to determine market value without actually trying to sell the equipment, especially if you happen to have an old or non-standard computer. And, worse, how do you know how to set your "asking price" if you did want to sell it?

Well, help is on the way in the form of two guidebooks that list used computer prices:

✓ **The Brown Book — 1986, Quarter I**, described by the publisher, Brown Book Inc. of Santa Barbara, Calif., as an "industry guide to microcomputer pricing."

✓ **Orion Blue Book — Computers 1986**, from Orion Research Corp. of Durango, which is one of a series of books from this publisher covering audio equipment, video equipment, cameras and computers. This book covers larger computers and peripheral equipment than "The Brown Book," as well as personal computers.

Used primarily by appraisers, bankers, resellers, computer stores — and the IRS — the books are too expensive to buy unless you plan to use them often (\$75 for the first and \$99.50 for the second).

### The easy way

On the other hand, it's nice to know they exist. And now that you do, finding out the prices listed for your own computers may not be so difficult — you just need to be creative. One way is to call a store or dealer that sells used computer gear and simply ask them to look it up for you. If they are honest and service-oriented, they will probably provide the information cheerfully, along with their own buy and sell prices for the equipment.

To give you an idea of the information pro-

vided by each book, here are the listings shown for the IBM PC-AT, the firm's top-of-the-line personal computer, and the Hewlett-Packard LaserJet, the popular laser printer:

✓ IBM PC-AT. Brown Book: List price \$5,795; average selling price, new, \$4,302; average selling price, used, as is, \$2,400; average selling price, used, refurbished, \$3,400.

✓ IBM PC-AT. Orion Blue Book: List price \$5,795; retail used price, \$2,444; wholesale mint condition, \$1,564; wholesale average, \$1,101.

✓ H-P LaserJet. Brown Book: List price \$3,495 (this book shows the list price before it was reduced several months ago); average selling price, new, \$2,784; average selling price, used, as is, \$980; average selling price, used, refurbished, \$1,430.

✓ H-P LaserJet. Orion Blue Book: List price \$2,995; retail used price, \$1,737; wholesale mint condition, \$1,042; wholesale average, \$636.

As you can see, each book has a slightly different emphasis. I like the average selling price listing in the Brown Book, which is absent in the Orion Blue Book. It also is interesting to know the wholesale prices in the Orion Blue Book that are missing from the Brown Book. If you put the two together, a complete picture emerges.

### **It depends on your buyer**

A key difference in the market price depends on whether you're selling to a dealer at the wholesale price or an end-user at the retail price.

From my experience, the Brown Book prices seem more useful for the retail market, where you may be listing the equipment in the classified section of the newspaper, for example. On the other hand, for the wholesale market of used computer dealers the Orion Blue Book is better because it contains the mint and average wholesale prices.

Unfortunately, you'll probably find that actual street prices differ from both books anyway — mostly on the down side for older, non-standard equipment and on the up side for the more popular gear such as the PC-AT or LaserJet.

What good is a book price of \$500 for an old CP/M computer (which might have cost \$5,000 five years ago) if no one wants to buy it from you? As heartbreaking as it may be, it may actually be worthless in today's market.

### **The bottom line**

Sometimes the best strategy is simply to donate an old computer to a charity. In that case, the IRS might allow you to take the book value as a tax deduction, which provides at least some benefit.

Instead of buying brand-new equipment, should you consider buying "slightly used" models of popular equipment? It sometimes pays to do so, as the figures indicate. The only catch: *Finding someone to sell it to you.*

ADVICE: Especially if you plan to use the machine for business purposes, it is often simpler to buy from a new equipment dealer instead. You'll get the machine when you need it, without the headaches typically associated with buying from an unknown private party. You'll be sure that it works properly from the very beginning. After all, if you're buying a computer to increase your company's productivity, you don't want to start out wasting your time.

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